

ITT EDUCATIONAL SERVICES INC  
 Form 4  
 April 26, 2010

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 BLUM CAPITAL PARTNERS LP

2. Issuer Name and Ticker or Trading Symbol  
 ITT EDUCATIONAL SERVICES INC [ESI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 04/22/2010

\_\_\_\_ Director  
 \_\_\_\_ Officer (give title below)  
 10% Owner  
 \_\_\_\_ Other (specify below)

909 MONTGOMERY STREET, SUITE 400

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 \_\_\_\_ Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

SAN FRANCISCO, CA 94133

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  |                                | (A) or (D) Code V Amount Price                                    |   |  |                                   |
| Common Stock                    |                                      |  |                                |   | 947   | D  | (1) (7)                           |
| Common Stock                    | 04/22/2010                           |  | J <sup>(11)</sup>              | 5,797 D \$ 0  | 42,794  | D  | (2) (7)                           |
| Common Stock                    |                                      |  |                                |   | 106,500   | D  | (3) (7)                           |
| Common Stock                    |                                      |  |                                |   | 418,900   | D  | (4) (7)                           |
| Common Stock                    |                                      |  |                                |   | 109,600   | D  | (5) (7)                           |

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|              |           |                         |
|--------------|-----------|-------------------------|
| Common Stock | 53,900    | D <u>(6)</u> <u>(7)</u> |
| Common Stock | 1,264,288 | D <u>(8)</u>            |
| Common Stock | 1,662,125 | D <u>(9)</u>            |
| Common Stock | 20,651    | D <u>(10)</u>           |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| BLUM CAPITAL PARTNERS LP<br>909 MONTGOMERY STREET<br>SUITE 400<br>SAN FRANCISCO, CA 94133        |               | X         |         |       |
| RICHARD C BLUM & ASSOCIATES INC<br>909 MONTGOMERY STREET<br>SUITE 400<br>SAN FRANCISCO, CA 94133 |               | X         |         |       |
|  |               | X         |         |       |

Blum Strategic GP III, L.L.C.  
909 MONTGOMERY STREET  
SUITE 400  
SAN FRANCISCO, CA 94133

Blum Strategic GP IV, L.L.C.  
909 MONTGOMERY STREET  
SUITE 400  
SAN FRANCISCO, CA 94133

X

Saddlepoint Partners GP, L.L.C.  
909 MONTGOMERY STREET  
SUITE 400  
SAN FRANCISCO, CA 94133

X

## Signatures

See Attached  
Signature Page

04/26/2010

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These shares are owned directly by Blum Capital Partners, L.P. ("Blum LP"). They may be deemed to be owned indirectly by RCBA Inc., as described in Note (7). RCBA Inc. disclaims beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(2) These shares are owned directly by BK Capital Partners IV, L.P.

(3) These shares are owned directly by Stinson Capital Partners, L.P.

(4) These shares are owned directly by Stinson Capital Partners C, L.P.

(5) These shares are owned directly by Stinson Capital Partners L, L.P.

(6) These shares are owned directly by Stinson Capital Partners (QP), L.P.

(7) These shares may be deemed to be owned indirectly by the following parties: (i) Blum Capital Partners, L.P. ("Blum LP"), the general partner of the limited partnerships described in Notes (2), (3), (4), (5) and (6); and (ii) Richard C. Blum & Associates, Inc. ("RCBA Inc."), the general partner of Blum LP. Blum LP and RCBA Inc. disclaim beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(8) These shares are owned directly by Blum Strategic Partners III, L.P. ("Strategic III"). The shares also may be deemed to be owned indirectly by (i) Blum Strategic GP III, L.P. ("Blum GP III LP"), the general partner of Strategic III, and (ii) Blum Strategic GP III, L.L.C. ("Blum GP III"), the general partner of Blum GP III LP. Both Blum GP III LP and Blum GP III disclaim beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(9) These shares are owned directly by Blum Strategic Partners IV, L.P. ("Strategic IV"). The shares also may be deemed to be owned indirectly by (i) Blum Strategic GP IV, L.P. ("Blum GP IV LP"), the general partner of Strategic IV, and (ii) Blum Strategic GP IV, L.L.C. ("Blum GP IV"), the general partner of Blum GP IV LP. Both Blum GP IV LP and Blum GP IV disclaim beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(10) These shares are owned directly by Saddlepoint Equity, L.L.C. ("Saddlepoint Equity"). The shares also may be deemed to be owned indirectly by (i) Saddlepoint Partners GP, L.L.C. ("Saddlepoint GP"), the managing member of Saddlepoint Equity; (ii) Blum LP, the managing member of Saddlepoint GP; and (iii) RCBA Inc., the general partner of Blum LP. Saddlepoint GP, Blum LP and RCBA Inc. disclaim beneficial ownership of these shares, except to the extent of any pecuniary interest therein.

(11) On April 22, 2010, the Reporting Persons distributed, on a pro rata basis, 5,797 shares of Common Stock to a limited partner in one of the limited partnerships for which Blum LP serves as the general partner.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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